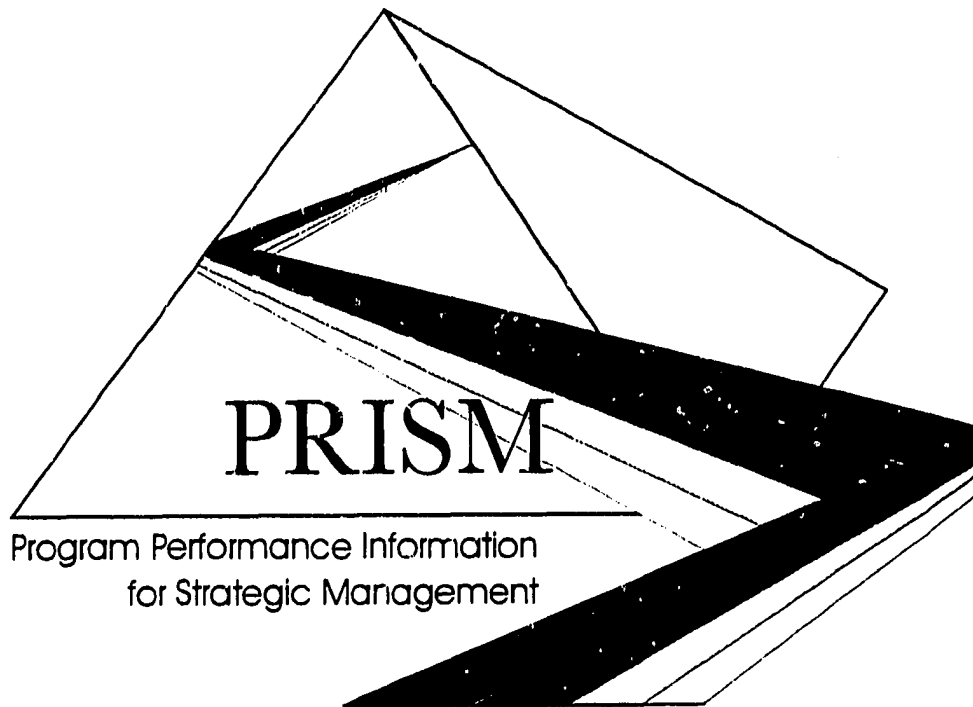


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USAID Managing for Results  
Working Paper No. 1



## Managing for Results: Experience in Two USAID Missions



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**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

**April 1994**

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***Managing For Results:***  
**Experience In Two USAID Missions**

**Center for Development Information and Evaluation (CDIE)  
Bureau for Program and Policy Coordination  
U.S. Agency for International Development**

**April 1994**

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## FOREWORD

This report inaugurates a series of working papers that CDIE will be issuing periodically as we handle, as an Agency, some new needs in "managing for results". These needs include:

- improving our ability to focus foreign aid on significant and measurable results;

- coaching and supporting a results-oriented, strategic management process; and

- as part of this process, using more comprehensive information about program performance and results to learn, to change, to educate and to account for the effective use of foreign aid.

USAID has already made progress in these areas. This first working paper shares two cases illustrating how Missions have seriously -- and successfully -- improved their ability to plan strategically for development results.

In the interest of reducing the processing time for future papers in this series, no copy editing is performed on the original working documents.

# Managing for Results: A Case Study of USAID/Guatemala Experience

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Management Systems International

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PPC/CDIE/SDS

November 1993

## I. INTRODUCTION

On July 21-23, 1993, the Agency for International Development's Center for Development Information and Evaluation (AID/CDIE) hosted an Agency-wide workshop aimed at advancing AID's efforts to monitor program performance and use performance information to manage for results. The workshop focused on the Agency's needs for program performance information, its recent experience in getting and using such information (through the PRISM system--Program Performance Information for Strategic Management--and other bureau, office, and mission efforts), outstanding issues that need to be resolved in the performance measurement and management area, and action recommendations for senior management to consider in moving the Agency forward in managing for results.

During the course of the workshop, it became evident that several AID missions had made considerable progress in managing performance--i.e., in developing results-oriented strategic development plans, organizing themselves to implement those plans and monitor program performance, and collecting and using performance information for program decision making. After the workshop, CDIE asked a few of those missions to participate in a series of case studies, so that their experience and the lessons they learned could be documented and shared, particularly with other missions.

This report documents the experience of USAID/Guatemala, one of the first missions in the Latin America and Caribbean (LAC) region to adopt a managing-for-results approach, and one of the missions that has taken the process the farthest to date. The report briefly documents why and how USAID/Guatemala got into the business of strategically managing for results and measuring performance (part II), the value that the approach has added to the mission's way of doing business (part III), and some useful principles that other missions might derive from the USAID/Guatemala experience (part IV).

We appreciate the enthusiastic cooperation and assistance that we received from the staff of USAID/Guatemala in conducting this case study. We especially thank Terrence Brown, Mission Director at the time of our visit in late August, 1993, who gave us as much of his time and access to his staff as we needed, and Margaret Kromhaut, Acting Director of the Program Development and Support Office, who helped arrange our visit and meetings with mission staff.

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<sup>1</sup>A summary of the proceedings of the workshop is available upon request. Please contact Karen Lopez in CDIE, via E-mail or at 703-875-4004.

## **II. THE DEVELOPMENT OF USAID/GUATEMALA'S PERFORMANCE MANAGEMENT SYSTEM: JULY 1990 - OCTOBER 1993**

The story of USAID/Guatemala's reorientation as an organization that manages for results began with the arrival of Terrence (Terry) Brown, its new Mission Director, in the summer of 1990. At this time, the Agency, the Bureau for Latin America and the Caribbean (LAC), and USAID/Guatemala were all searching for a way to focus AID's assistance activities and demonstrate significant development results.

The Agency was under fire by Congress, the Office of Management and Budget, and others to show that the American taxpayers' investments in development were well placed and had a meaningful and measurable pay-off.

In response to these pressures, the LAC Bureau, building upon both the early efforts of the Africa Bureau and the PRISM efforts of the Center for Development Information and Evaluation to establish a mission-based system of strategic planning, managing and reporting, was well on the way toward developing its own approach to managing for results, known as the Program Performance Assessment System (PPAS). Under the leadership of Assistant Administrator James Michel, the LAC Bureau was actively encouraging missions--through formal guidance and technical assistance--to "focus and concentrate" their project and non-project activities within a limited set of strategic objectives and to devise means of measuring and monitoring performance.

At the same time, USAID/Guatemala was faced with new and significant reductions in the FY 1991 resources available for its development program. In addition to feeling a very real need to limit its program activities, the mission was under pressure to start demonstrating impact from those reduced activities. It saw the PPAS as a way not only to meet both those needs but also to build consensus among mission staff around a smaller, more narrowly focused program.

Upon his arrival, Terry Brown saw USAID/Guatemala's situation as an opportunity to try out the PPAS's strategic framework approach, an approach which fit in well with his own management philosophy. The approach's emphasis on targeting and monitoring impact at the program level and its reliance on a mission-wide management perspective were especially appealing.

In late 1990, USAID/Guatemala conducted its first mission-wide strategic planning exercise. With the help of a PRISM/PPAS team, the mission developed a program framework of nine strategic objectives for its first submission of a Program Objectives Document to the LAC Bureau.

A few months later, in February 1991, the mission held a management team-building retreat, which was facilitated by consultants under a contract with HRDM. This retreat was an extremely valuable exercise in forcing many people for the first time to take a mission view of their program portfolio. In the face of diminishing resources, staff spent a great deal of time identifying and rank ordering Guatemala's development needs and thrashing out where USAID/Guatemala should be placing its development resources. During this planning session, the mission eliminated its infrastructure portfolio, reduced its educational portfolio to basic education and narrowed the focus of its trade and investment portfolio.

Later in 1991, a PRISM/PPAS team made a second PPAS visit to USAID/Guatemala. During this strategic planning exercise, the mission reduced the number of strategic objectives in its program from nine to five, in the following areas: increased trade and investment; smaller, healthier families, improved basic education, sustainable natural resources management, and sustainable inalienable rights. Some of this change from nine to five strategic objectives was merely a matter of consolidation of existing activities, but some was a matter of phasing out activities that were seen as unimportant from a strategic point of view.

During this technical assistance visit, the mission also turned its attention to developing a monitoring and evaluation system for assessing and analyzing program impact. Key indicators and data sources were identified for each strategic objective and its supporting lower level, program outcome objectives.

In late 1991 and early 1992, partly as a result of a training program in management skills development, the mission established a set of new organizational units called Strategic Objective Teams (SOTs). One SOT was established for each strategic objective in the mission's portfolio. The SOTs were expected to serve several purposes, including being responsible for performance on their respective strategic objectives, increasing communication across offices, and promoting the participation of FSN staff in program management and monitoring. Six specific responsibilities were assigned to each SOT: (1) develop and finalize the strategic objective framework; (2) develop and implement monitoring and implementation plans for the strategic objective; (3) align the existing project portfolio with the strategic objective; (4) develop a policy agenda and monitor its implementation; (5) make presentations about the strategic objective to people outside the mission; and (6) provide training opportunities for members of the SOT.

The SOTs were generally quite large (10-15 members). Each SOT included U.S. direct-hire and senior FSN staff from all the mission's technical offices that had an interest in the particular



strategic objective and representatives from key mission staff offices (e.g. the program office and the project development office). The SOTs met monthly, and the meetings were generally chaired by the chiefs of the offices with primary responsibilities for the strategic objectives.

At this time, Terry Brown established another organizational unit, his "Dream Team" (named after the U.S. Olympic basketball team, which was in the news at the time). The Dream Team, which was composed of the SOT leaders and chaired by Brown, was designed to deal with broad mission-wide planning issues and provide strategic direction for the mission as a whole. The Dream Team became, in effect, a vehicle for Brown to float new ideas and strategize at a very broad level with a select consultative group.

From the start, the SOTs had a difficult time establishing a clear sense of their mandate, their specific responsibilities, and the scope of issues under their purview. It was not clear, for example, just how much responsibility they had for actual implementation of the activities and projects under their strategic objectives. As a result, many SOT members became very dissatisfied with participation on the teams.

In the fall of 1992, the mission held another facilitated team-building retreat. Problems with the SOTs were a major topic of discussion at this retreat, and it was decided that they needed a narrower focus if they were to be effective. Mission management and staff recommissioned the SOTs, but limited their membership to a smaller, more relevant interdisciplinary circle of office representatives (about 6-10 people). The new SOTs responsibilities were also more focused. They now included only strategic planning, developing policy frameworks, and developing and implementing monitoring and evaluation plans for their strategic objectives.

To facilitate project management and implementation and to keep it separate from the SOTs' planning and evaluation activities, the mission established a set of new organizational structures, the Strategic Implementation Committees (SICs). Like the SOTs, the SICs--one for each project in the mission's portfolio--were interdisciplinary, but their membership included a different mix of individuals. The SICs, which were to meet monthly, were designed to include representatives from all the mission offices that played a role in project implementation, including project staff and staff from the controller's office, the contracts office, and so on.

The mission now had institutionalized teamwork at two levels of program management: at the planning, monitoring and evaluation level, and at the implementation level. In short, as one mission staffer put it, the SOTs' role was now "to think," while the SICs' role was "to do."

Since late 1992, this organizational arrangement has served the

mission well. By all accounts, the SICs have been particularly successful, as project implementation problems are now worked out very efficiently by individuals who have the delegated authority to act quickly and decisively on behalf of their offices. There is a shared view of important tasks that have to be performed, and things do not fall through the cracks. The initial fears of some project managers that the SICs would merely represent more oversight has not played out. Instead, project managers see the SICs as a valuable tool in getting their work done, and in not having to do it all themselves. As for oversight, the Mission Director is merely kept informed of the SICs' actions through monthly memos from each chairperson.

During the latter half of 1993, USAID/Guatemala experienced three critical events, all of which have potentially significant implications for strategic planning and management at the mission. The first of these events occurred in June 1992, when the mission was merged with the Regional Office for the Caribbean Program (ROCAP). At the time of this case study, mission staff were still speculating about the implications of the merger for the mission's strategic portfolio and its system for managing for results. It is expected that two separate portfolios will be maintained for the time being, but eventually consolidation at the program level is likely. It is also expected that the strategic planning tradition and processes established over the past three years will serve the mission well during this transitional period.

The second major change for USAID/Guatemala was the decision to reduce USAID/Guatemala's development budget by a significant amount for FY 1994. Having established its program priorities through the strategic planning process, however, the mission is well positioned to deal with this budget reduction. Rather than reduce its efforts across the board in its five strategic objectives, the mission expects to drop entirely its strategic objectives and efforts in education and trade and investment.

The third significant event was Terry Brown's departure from the mission in September 1993. At the time of this case study, staff were speculating on the likelihood of survival of the results-oriented culture and strategic management mechanisms established during Brown's tenure. The prognosis among most observers at the mission is that the changes will endure, partly because of continued pressures on USAID/Guatemala from all quarters to manage for results and partly because mission staff have the experience and desire necessary for continuing the process.

A final challenge facing the mission is perhaps its most difficult one. To date, the mission has made valuable use of its strategic planning and management system for setting (and revising from time to time) its program priorities and objectives and defining the performance indicators and data it will use to measure results. While the mission has baseline data for most of its strategic

objectives and program outcome objectives, it has yet to collect and analyze any hard data on progress since setting those objectives.

The question is whether the mission will use program performance data, when they are available in the near future, to make strategic planning and implementation decisions. If the data reflect lack of progress in one or more program areas--in areas, perhaps, that are of relatively low priority for the mission--how will the mission respond? Will it be able to abandon strategies that are not working? Will it consider dropping entirely strategic objectives if the data demonstrate that those objectives are no longer are--perhaps, never were--in the mission's manageable interest?

The mission has established a tradition of looking regularly at project data and intermediate program data as part of its SAR and Action Plan processes. Therefore, there is a good chance that program performance data will indeed be used to manage for results in the future.

### **III. THE UTILITY AND EFFECTS TO DATE OF USAID/GUATEMALA'S ADOPTION OF A RESULTS-ORIENTED, STRATEGIC MANAGEMENT APPROACH**

Interviews with several mission staff and observations made during a recent site visit to USAID/Guatemala indicate that, even though the mission has yet to make significant program decisions based on data from its strategic program performance monitoring system, there have been some real positive outcomes of its efforts to date. The following are the most important ones that have been identified.

1. The strategic management approach has created a climate in USAID/Guatemala in which teamwork is the norm and program and sectoral interdependency is understood and promoted. A staff member in the environment and natural resources area reports that he was initially very skeptical about the utility of the strategic objective framework and multidisciplinary strategic objective teams. But, shortly after commencing work on the democracy initiatives strategic objective team, he found that there were very practical linkages between the objectives and strategy of his environmental project and those of the democracy program.

According to one enthusiastic FSN staff member, "We now have a team in our office--that's a very important product of all of this." Another individual in the same office added, "Everyone here sees the big picture; before Terry Brown came that wasn't true."

A person in another office described the change in this way: "In 1989, before we started all of this, individual manipulative behavior was the norm in this mission. Now, it's impossible to behave that way."

2. The approach has raised everyone's attention to the level of significant development program impacts, as opposed to mere project inputs, activities and outputs; and for most staff, that has been a positive development. One staff member who works in the mission's health and population program reports that "It's great to work here because of the emphasis on impact and performance. The challenge has been to take a staff focused on outputs and broaden their vision to 'impacts.' We've made lots of progress, and with contractors and other donors, too. They now know that we care more about ultimate impacts."

Not all staff see it this way, however, as the tendency to restrict management attention and accountability to project inputs and outputs has had a slow, painful death in some cases. It is reportedly only because of Terry Brown's firm insistence on a program impact orientation that these resistant staff have come around.

3. The strategic objective framework has been found to be very useful when designing new projects. It provides a context and a focus within which to place new efforts and helps staff identify those activities that are still needed to move the mission closer to achievement of its development objectives. In this respect, the framework has also helped the mission coordinate efforts with other donors and given private and voluntary organizations guidance on how to focus their program proposals.

4. The strategic objective framework provides a basis for internal strategic decision-making, e.g., making decisions regarding the allocation of the mission's development and operational resources. In one case, for example, the mission's democracy initiatives SOT successfully lobbied the mission director for additional development resources on the grounds that, if the democracy program was important enough to warrant having a strategic objective, then it must be important enough to get its fair share of resources.

According to the head of the democracy SOT, "The strategic framework developed by the mission was an equalizer....There were no more sacrosanct projects....And it's now relatively easy to make ABS cuts because the mission has clear priorities. Ironically, morale is higher here now even though resources have diminished....People don't get points for pushing money; they get points for thinking objectively about programs. One can get kudos for shutting things down."

5. Strategic planning and management have allowed the mission to resist pressures to include things in its portfolio that just do not belong there. According to one staff member, "We don't do certain things. We don't get moved off center. We just say "NO." We don't like being perceived as the people who say "No," but it's worth it because we are actually doing our jobs better."

6. The strategic framework developed by the mission, particularly in the format of an objective tree, has served as a very useful means of communication, both internally and externally.

#### **IV. PROPOSED PRINCIPLES FOR AN EFFECTIVE APPROACH TO MANAGING FOR RESULTS: LESSONS FROM THE USAID/GUATEMALA EXPERIENCE**

USAID/Guatemala has come a long way with its strategic planning and performance management system since the early efforts of late 1990. Through a great deal of hard work and trial and error, the mission has succeeded in (1) developing and refining over time an agreed-upon, results-oriented strategic plan; (2) establishing a workable management structure and approach for implementing the plan through its projects and non-project activities; and (3) putting in place a monitoring system that promises to start yielding useful program performance information in the near future. Although the most critical test of USAID/Guatemala's system still lies ahead--namely, whether the mission will make effective use of program performance information in its decision making about program direction and implementation--the mission does appear as well positioned as any mission in the agency to take fullest advantage of its new approach to managing for results.

Our interviews with USAID/Guatemala staff yielded several practical lessons for other missions to consider as they embark on their own efforts to develop effective approaches to managing for results. In the interest of informing future efforts at the agency, bureau and mission levels, we present these lessons learned in terms of general principles supported by specific USAID/Guatemala experience. Most, if not all, of these principles should present no surprises, in that they reflect sound management practices in just about any organizational context.

##### **1. There is no substitute for strong, determined leadership at the senior mission management level.**

From the moment he arrived at USAID/Guatemala in 1990, Terry Brown insisted that managing for results be taken seriously by all staff in the mission. Although he remained flexible and experimental with respect to the specific organizational structure, processes, and mechanisms that the mission might eventually adopt in its search for an effective approach to managing for results, he never wavered from his determination to transform USAID/Guatemala into a mission that, above all else, is one that truly manages for results.

To achieve his goal, Brown insisted that his staff adopt a mission orientation (as opposed to one based on sectoral and office loyalties) and accept his vision of a tightly focused, results-

oriented, and data-informed program. He recruited and rewarded staff who agreed with these perspectives and he replaced staff who did not. He emphasized that the most important use of the new system was for better management by the mission of its programs.

Brown made sure he personally knew the mission's projects and programs well, so that he could not be misled by those who might want to protect turf at the expense of a tight focus in the mission's program strategy. He maintained the ability to take criticism well when things were not working as expected and the flexibility to make adjustments as needed.

One staff member summed it up by saying, "This whole effort was driven by Terry Brown." He went on to caution that not only is mission leadership important, but it is absolutely necessary for success: "Unless you have mission management that gives this system priority, it simply won't work. And Terry Brown certainly gave it high priority."

It is also worth mentioning here that Brown was supported in his efforts to make USAID/Guatemala a mission that manages for results by the then Assistant Administrator for the LAC Bureau, Ambassador James Michel. Michel ensured that Brown and other mission directors in the region had the necessary technical assistance and backstopping resources they needed, and he provided mission directors with tangible rewards and incentives for adopting a performance management approach (e.g., awards, maintenance of budget, optional resources, assignment of staff who espouse the principles of managing for results). Brown attributes a good measure of his success at USAID/Guatemala to this support.

2. **It also helps considerably to have a technically strong, dedicated staff who can identify with a mission-wide perspective.**

Terry Brown and others at USAID/Guatemala attribute much of the mission's success to the excellent staff who occupied strategic positions throughout the mission. From the deputy director, to the program officer, to the office heads, to key project managers--almost to a person, the mission appears to have been blessed with staff who responded positively to Brown's managing-for-results approach. To some extent, it appears that the mission simply happened to have the right staff in the right places at the right time. Yet there is also some evidence that Brown selected and cultivated the kind of staff he needed.

As might be expected, the level of success in developing a managing-for-results perspective has varied somewhat across the mission's units that are responsible for specific strategic objectives. Where there has been the least progress, the technical manager and some of the staff appear to have failed to adopt a

mission program view and have continued in the traditional tendency to protect office turf and promote project advocacy.

3. **Available training and technical assistance can be very helpful, particularly if they are managed effectively by the mission.**

USAID/Guatemala staff cited the positive contributions of several training programs and technical assistance visits that occurred during the past three years. The management skills training and team building programs provided through HRDM were cited as immensely helpful in dealing with the organizational and human resource issues that are involved in managing for results. These infusions of training and technical assistance were particularly helpful because they came at the right times during USAID/Guatemala's developmental process and they were available when the mission felt the need for assistance. The two rounds of PRISM/PPAS technical assistance provided through CDIE and the LAC Bureau also helped the mission grapple with the conceptual and technical aspects of developing its strategic objectives framework and monitoring and evaluation plan. Also cited as very helpful were the Development Studies Program, the International Development Intern training, and the Senior Management Training Course, all of which were taken by one or more staff during the process.

4. **Having a ready-made conceptual framework can go a long way toward helping missions develop their systems for managing for and measuring results.**

While it is not clear how much progress USAID/Guatemala might have made in developing its approach to managing for results without the conceptual tools and guidance provided by the LAC Bureau and CDIE, it is clear that several staff appreciated having them available. Without a strategic objective framework in which to couch all the content and without map for moving the process along, they report, it would have been much harder for the mission to progress as quickly as it did.

5. **It is much easier to manage for results when organizational structure and management style are adapted to support the strategic plan. Four principles of organization are especially worthy of note here: (a) the delegation of program decision-making to those who are directly responsible for those programs, (b) the use of interdisciplinary teams where planning and implementation involve several offices, (c) the inclusion on those teams of only those people who have a good functional reason for being included, and (d) the assignment of clear and manageable roles and functions to those teams.**

In keeping with his preference for a relatively flat management structure, Terry Brown delegated considerable decision-making authority for planning, managing and monitoring strategic objective programs to the operational level. To reinforce the principle of a mission rather than office perspective, he also established interoffice, interdisciplinary teams to implement the strategic objective programs. After some trial and error, part of the error being the assignment of too many people and too many responsibilities to the mission's original strategic objective teams, USAID/Guatemala has settled on the use of three different types of inter-office organizational units to plan, implement, and monitor the strategic objective programs:

(a) Strategic objective teams (SOTs), which are composed of technical office and program/project office staff, are responsible for planning and monitoring performance at the strategic objective level.

(b) Strategic implementation committees (SICs), which are composed of technical, program, project, contract, and controller staff, are responsible for ensuring that the projects and non-project activities are implemented efficiently and effectively.

(c) The Mission Director's "Dream Team," which is composed of the mission's senior managers and is responsible for helping Terry Brown think the big thoughts about overall mission program strategy and direction. According to Brown, the Dream Team provides an opportunity for him and his senior staff to think beyond the strategic objectives currently in place, and it helps him periodically reinforce the point that managing strategically is very important.

**6. Collaborative, strategically focused, results-oriented behavior is rewarding and, therefore, self-reinforcing.**

The more that USAID/Guatemala staff have been empowered to think and manage strategically, to act with delegations of authority, and to work directly with their counterparts in other offices, the more tangible and positive have been the results of their efforts. The process works, so people work harder to make it work even better.



**ATTACHMENT 1: MISSION STAFF INTERVIEWED**

Terrence Brown, Director  
Bambi Arellano, ODDT  
Edin Barrientos, ONARM  
Susan Clay, OHE  
Gary Cook, OHE  
Kim Delaney, OEAPRI  
Thomas Delaney, PDSO  
Liliana Gil, PDSO  
Elizabeth Hogan, ODDT  
Keith Kline, ONARM  
Lars Klassen, DDIR  
Fred Mann, ONARM  
Patricia O'Connor, OHE  
Edgar Pineda, ONARM  
Todd Sloan, ODDT  
Ray Waldron, ONARM

Also used in preparing this report was a taped speech by Elizabeth Warfield, PDSO, given during the Performance Information Use Workshop, July 21-23, 1993.

# Managing for Results: A Case Study of USAID/Kenya's Experience

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PPC/CDIE

Kathie Keel,  
AFR/DP

December 1993

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## ACRONYMS

AFR/DP	Africa Bureau, Office of Development Planning
AIDS	Acquired Immune Deficiency Syndrome
API	Assessment of Program Impact
CDIE	Center for Development Information & Evaluation
CIMMYT	International Wheat & Maize Improvement Program
CPSP	Country Program Strategic Plan
DFA	Development Fund for Africa
DSP	Development Studies Program
FSN	Foreign Service National Employee
FY	Fiscal Year
GAO	General Accounting Office
GOK	Government of Kenya
HIV	Human Immuno-deficiency virus
HYV	High Yield Varieties
KARI	Kenya Agricultural Research Institute
KDHS	Kenya Demographic & Health Survey
M & E	Monitoring and Evaluation
MER	Monitoring, Evaluation, and Reporting
NGO	Non-governmental Organization
PES	Project Evaluation Summary
PIR	Project Implementation Review
PPC	Bureau for Policy and Program Coordination
PRISM	Program Performance Information for Strategic Management
PSC	Personal Services Contractor
PVO	Private Voluntary Organization
REDSO/EA	Regional Economic Development Services Office/East Africa
TFR	Total Fertility Rate
USAID	United States Agency for International Development

## EXECUTIVE SUMMARY

At the July 1993 USAID workshop on the use of program performance data, participants concluded that mission experience in managing for results should be more broadly shared. PPC/CDIE initiated a series of case studies on mission experience. The first case study focused on USAID/Guatemala.

This second case study draws upon the experience and expertise of USAID/Kenya. One of the first African missions to respond to Development Fund for Africa (DFA) impact reporting requirements, USAID/Kenya is known for its focused program, strong management, and contributions to national level development results.

Since Kenya's independence in 1963, USAID/Kenya has provided significant sustained assistance in three sectors: agriculture, population and health, and private enterprise. During the 1980's, USAID assistance averaged \$50 to \$80 million a year. Concerns about Government of Kenya (GOK) performance in democracy and governance, human rights, and implementing macro-economic and structural reforms have led USAID recently to reduce annual assistance to less than \$20 million.

Since the mid-1980's, USAID/Kenya has given increased emphasis to managing for results. After the approval of the 1990 Country Program Strategic Plan (CPSP), the mission was reorganized to focus human and financial resources on its three strategic objectives: increased contraceptive prevalence, agricultural productivity, and private enterprise employment.

To assess performance and measure results, additional resources were allocated for evaluation staff, special studies, and monitoring and reporting. These investments have continued even as the mission's staff and budget have been reduced, because senior management is convinced that "in tough times, program performance becomes even more important."

Managing for results has contributed to

- a streamlined, focused mission portfolio with clear objectives;
- a strong analytic base for planning, measuring and using results; and
- demonstrated impacts on agricultural productivity, private enterprise employment and fertility.

Evaluation is central to the way the mission does business with other donors, the GOK, and non-governmental organizations (NGOs). USAID/Kenya has strengthened the management of GOK and NGO institutions and other development organizations.

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Staff from all the USAID/Kenya offices cite numerous instances where performance information has shaped management decisions, influenced the GOK and NGOs, and contributed to development.

In the population sector, for example, USAID-financed national surveys which showed very high fertility rates contributed to GOK decisions to implement its population policy and allocate resources for family planning. Other monitoring and evaluation data led to USAID/Kenya's decision to program most population resources through NGOs and to place greater emphasis on the provision of longer-acting and more effective methods of contraception. And, finally, the USAID-financed national population surveys document an unprecedented decline in fertility. Kenya's total fertility rate (TFR), or average family size, in 1979 was 7.9, one of the highest rates in the world. During the past decade as USAID/Kenya has greatly increased population assistance, the TFR has dropped precipitously from 6.7 in 1989 and to 5.4 in 1993.

This year, USAID/Kenya is reporting for the fourth time on program impact. Not surprisingly, despite its strong monitoring, evaluation, and reporting (MER) system and dedicated staff, there remain unresolved issues related to USAID/Kenya's strategic plan and MER. Some of these issues are worldwide and reflect the difficulty of measuring performance in certain key development areas. Others are more Kenya-specific and relate to concerns about maintaining national level development impact and strong MER systems with decreased human and financial resources. With democracy and governance issues assuming greater importance in Kenya, there is a tension between this important objective and other development objectives. As the API and other mission reports show, USAID assistance is having important impacts on development and the lives of Kenyan citizens. Given the difficult country environment in which it operates, USAID/Kenya's ability to have these impacts is especially noteworthy.

The Kenya case demonstrates some important lessons about what it takes to manage for results. Significant factors include:

- Mission leadership
- Clear program focus
- Program Concentration
- Attention to program performance measurement
- Hard work, time, staff, and systems
- Consensus on program directions and the importance of managing for results
- Will to act on results.

This case study benefitted from the generous sharing of insights and experience by many USAID/Kenya staff. We would like to thank particularly Elizabeth Martella and Stephen Ndele.

## I. INTRODUCTION

### A. Purpose of Case Study

At the July 1993 USAID workshop on the use of performance data, it became clear that some USAID missions had invested considerable time, ingenuity, and effort in developing effective systems to collect and use program performance data. So that this experience could be more widely shared, the Bureau for Policy and Program Coordination's Center for Development Information and Evaluation (PPC/CDIE) asked several missions to participate in case studies. The first case study focused on USAID/Guatemala.

This second case study draws upon the experience and expertise of USAID/Kenya. Both PPC and the Africa Bureau (AFR) thought it important to examine the experience of an African mission since AFR was the first bureau to develop a regional program impact reporting system. The current USAID program performance monitoring and reporting system, PRISM (Program Performance Information for Strategic Management), is modeled on this system. Kenya was selected for the case study because it was the first African mission to begin DFA reporting and because of its excellent annual reporting.

This case study explores how the Kenya mission developed its strategic plan, established program performance and other monitoring and evaluation systems, and has used this information to manage for results and report to Washington. It also includes the reflections of USAID/Kenya staff both on what worked and what issues and problems they face as they complete their fourth round of reporting on results through the Africa Bureau's Assessment of Program Impact (API).

### B. USAID Emphasis on Managing for Results

Challenged to demonstrate the results of investment in foreign assistance as budgets and staffs have shrunk, USAID/Kenya has been placing increased emphasis on the use of program performance data to manage for results over the past five years.

Part of the impetus has come from U.S. Congress which in creating the Development Fund for Africa (DFA) gave USAID more latitude in programming in Africa in return for agreeing to report on an annual basis on the people-level impacts of USAID assistance. Part has come from senior USAID management who have stressed the need for the Agency to become more results-oriented and from outside groups and oversight agencies which have challenged the way USAID does business. These have all contributed to a greater investment in program performance monitoring and the development two years ago of an USAID-wide system and data base, PRISM. More than 70 field missions and offices have strategic plans in place;

about 55 have identified performance indicators and nearly 30 have collected baseline data and set performance targets and dozens are using results information.

The Clinton administration has affirmed the importance of managing for results. The U.S. Congress has written it into law.

The Government Performance and Results Act of 1993 requires every federal agency to plan, measure, manage, budget for and report on results. USAID's current authorization bill requires demonstrated progress in managing for results in order to be able to obligate operating expense funds after March 31, 1994.

### **C. Africa Bureau's Focus on Performance**

The Africa Bureau led the way in looking at program performance on a systematic basis. The catalyst was the DFA which provided USAID with a special mandate to take a new look at African problems and solutions and to decide how and where resources could best be used to make a difference in improving the lives of Africa's people. With this flexibility in allocating resources, there was also a mandate to report the impact of those resources.

The DFA, created in the appropriating legislation of 1987, revolutionized evaluation in the Africa Bureau. Prior to that time, evaluation was one priority among many. But the DFA's emphasis on having a measurable impact on economic and social development in Africa and the need to track and report on those results moved evaluation up the priority list.

"Impact" is synonymous in the Africa Bureau with "results under the DFA." Both are defined to mean measurable, positive changes in people's lives associated with USAID activities. Sustained, effective use of the DFA required the Bureau as a whole to strengthen its monitoring, evaluation, and reporting systems to improve program effectiveness and impact.

The level at which the Africa Bureau expects to achieve and measure impact is the country level with the Mission Director having the principal responsibility to manage financial and human resources for country program impact.

In 1989 and 1990, the Africa Bureau introduced two new program documents. The Country Program Strategic Plan (CPSP) lays out a mission's five to seven year plan to achieve results in a few focused strategic areas. This constitutes the mission's "contract" with USAID/Washington to obtain specific measurable results within a set time period. The Assessment of Program Impact (API) is the mission's annual report on progress in achieving impact in the strategic areas laid out in the CPSP. Since 1989, the Africa Bureau with help from PPC/CDIE has been providing technical assistance to individual missions in program planning and monitoring, evaluation, and reporting (MER).



## II. BACKGROUND

### A. USAID Assistance to Kenya

USAID has provided significant, sustained assistance to Kenya since Kenya's independence in 1963. This assistance has been concentrated in a limited number of sectors with USAID or its predecessor agencies providing support to:

- agricultural research for 35 years,
- population programs for more than 25 years, and
- private and micro enterprise for about 10 years.

Bilateral assistance to Kenya increased rapidly in the late 1970's. It peaked in 1983 at \$80 million and was \$50 to \$55 million for the remainder of the decade. Donor concern about Kenya's repressive political environment and progress in making macro-economic reforms caused a sharp decline in assistance in 1990. USAID assistance levels were reduced from \$36 million to \$26 million in FY 1991, to \$19.1 in FY 1992, and to \$18.2 in FY 1993. Since 1990, direct hire staff has dropped from 27 to 17.

### B. Focused Assistance

Starting in the mid 1980's under the leadership of the then mission director, Steven Sinding, increased emphasis was given to strategic management and strengthening monitoring, evaluation and reporting systems (MER). The mission carried out extensive reviews of its assistance strategy and program impacts. The mission revised its portfolio to focus on fewer objectives and activities and concentrate resources in areas where USAID assistance had and could demonstrate results.

This change in mission strategy and operations is attributed to two factors:

- The appointment of a results-oriented mission director who was convinced by his experience with the population program of the importance of measuring program performance and showing results, and
- The 1987 DFA imperative for Africa missions to report on people-level impacts and the resulting systems developed by the Africa Bureau to meet DFA reporting requirements.

Increased attention was paid to strategic planning and the development of a mission evaluation work plan. Information from comprehensive evaluation and sector assessments in the 1980's provided the basis for the strategy put forth in the 1990 CPSP.

A mission retreat and PPC//Africa Bureau-assisted workshops on strategic programming and monitoring, evaluation, and reporting

(MER) helped the mission conceptualize and focus the program and select objectives in areas where the USAID assistance was having the greatest impact (See Chart 1 USAID/Kenya Program Logframe). Mission staff cite the workshops and mission retreat as contributing importantly to the development of a cohesive strategy and their own understanding and appreciation of the importance of program performance monitoring. One person said:

"The real genesis of the process was the all-mission course on evaluation [which] started things moving...on thinking higher than project levels about the outcomes of our development actions."

### C. Organizing and Managing for Results

John Westley, the next mission director, agreed with and built upon the strategic directions<sup>1</sup> and evaluation priorities established by his predecessor. A strong believer in program focus and the importance of program performance data for management, he "uses evaluation aggressively." Prior to coming to Kenya in June 1990, he directed the Office of Development Planning in the Africa Bureau which developed and promulgated the systems for determining program impact and DFA reporting.

Early on he took two important steps to strengthen and institutionalize management by results in the mission:

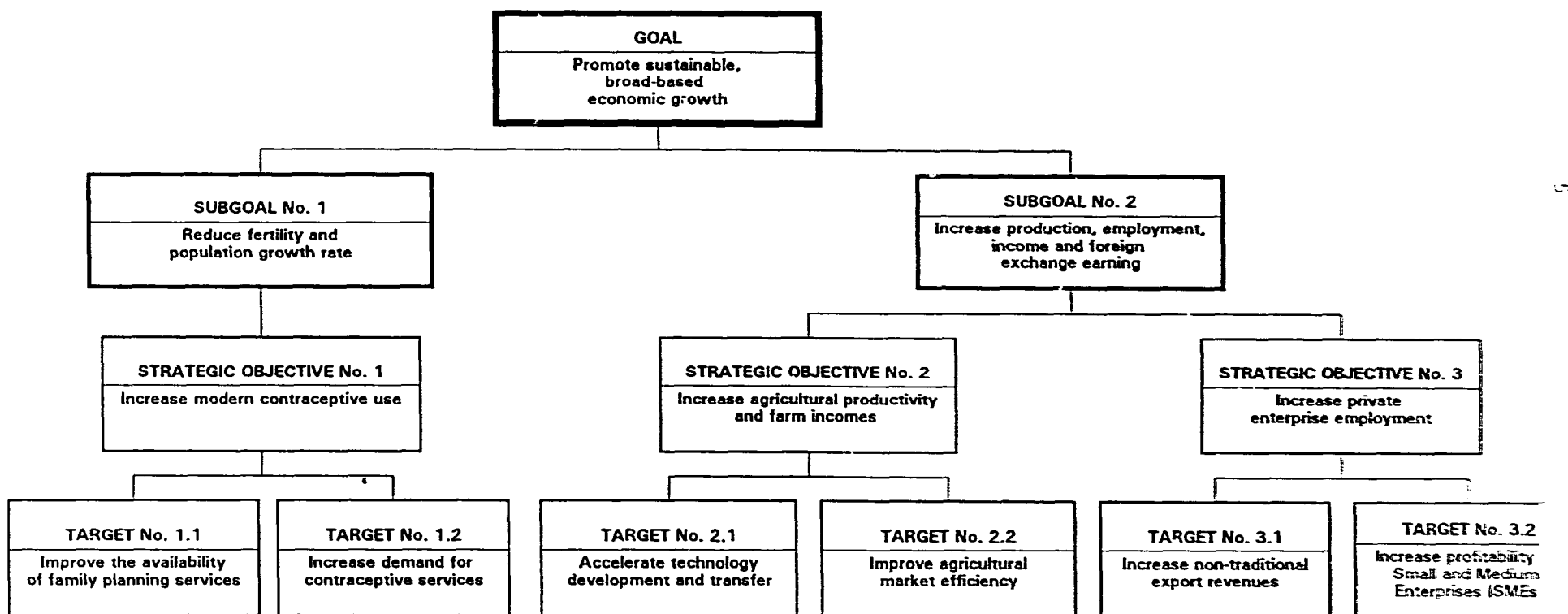
- **Reorganized the mission around its three strategic objectives** (see chart 2, USAID/Kenya Organization) and formed technical offices with direct responsibility for programming resources, monitoring performance, and reporting on impact for each objective. These changes have resulted in a more manageable portfolio which is less labor intensive and has a strong central thrust. The program concentration is an essential part of the mission's ability to manage for results.

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<sup>1</sup>One observer highlighted the consistency of program direction between A.I.D. directors as an important factor in the strength of the Kenya program. This observer noted that Mr. Westley had resisted the practice of some new mission directors of instituting change for change's sake to put "their own stamp" on the program.

**USAID/KENYA  
PROGRAM LOGFRAME**

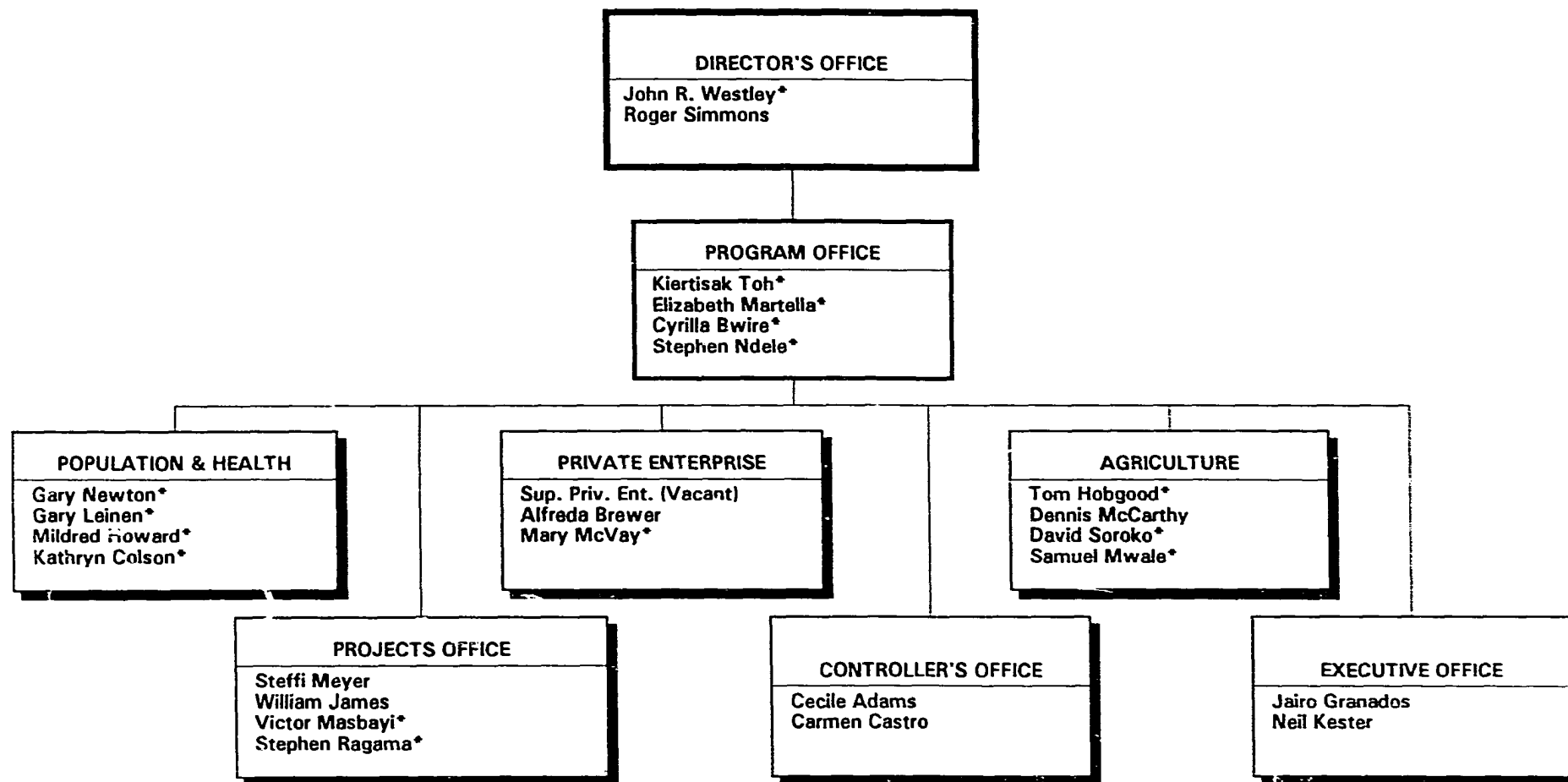
**CHART 1**



Source: USAID/KENYA API 10/92

# USAID/KENYA ORGANIZATION CHART

CHART 2



\* Those interviewed for the case study

Source: USAID/KENYA

- **Obtained additional resources for staff and special studies.** Evaluation specialists were hired to work with the Program Office and each of the technical offices. He recruited and selected senior and technical staff with strategic management and analytic skills. Existing staff were provided broad-based training like the Development Studies Program.

He continued his predecessor's emphasis on strategic management. This leadership and hard work are cited by staff as critical in institutionalizing management by results in USAID/Kenya, e.g.,

"If Steve Sinding and John Westley had not pushed the strategic objective concept and given it full support, it would have been just another program office function. But they did endorse it wholeheartedly and at every opportunity. When complaints arose they never failed to say that this was important to the Agency, the mission and them personally. As a result, fewer and fewer complaints arose and more and more people 'owned' the process and worked to achieve results with it...

We really worked hard to institutionalize the objectives... The objectives were used as the foundation for innumerable speeches, for program documents, briefings, etc."

Since 1990, a number of special studies and surveys have collected national data, explored linkages between project activities and mission objectives, and strengthened monitoring and analytic systems. Often, these have been linked to API reporting and the mission practice of focusing in each API on one of the three objectives.

These investments in staff, special studies, and evaluation have continued as the mission's resources have been reduced. The mission director is convinced that "in tough times program performance information becomes more important." He sees such information as essential for making decisions on which activities to continue, how to use resources most effectively, and how to protect the program against further reductions.

### **III. MONITORING, EVALUATION, AND REPORTING SYSTEMS**

#### **A. Mission Organization**

##### Mission Structure

USAID/Kenya's staffing pattern reflects the mission emphasis on management for results. Designated M&E positions were created in two of the three technical offices, as well as in the program office. A high awareness of the program strategic framework

permeates all aspects of the mission as evidenced by the office organization around the strategic objectives. Progress toward achievement of strategic objectives is part of the Employee Evaluation Report (EER) as well.

The mission M&E specialist in the program office works with the project design committee to include MER in the design of projects, works with the M&E specialists in the technical offices to plan project evaluations, and coordinates technical office input to the annual API.

The mission M&E specialist position has evolved since the position was created in 1990. What was once full-time M&E responsibility has become a combination M&E/economist position. The mission M&E specialist/economist spends 40% of his time on M&E and 60% on economic analysis. Designated M&E specialists in the technical offices also have multiple responsibilities so there may be some tension on how to allocate time and effort to both M&E and project responsibilities.

### Mission Tools

Mission-level monitoring and evaluation tools include bi-weekly meetings between mission management and technical offices, training for mission employees on the mission MER system, semi-annual project implementation reviews (PIRs), audits in technical sectors, and reports from Government of Kenya ministries on economic data and other indicators. The mission reports to AID/W through the portfolio management review document and the API.

The PIR is a working mechanism to monitor project implementation and make adjustments as a result of the review. For example, the PIR review of the Private Enterprise Development Project led to one component of the project (support to the Investment Promotion Center) being dropped. In implementing the PIR process, the mission analyzed mission information needs and modified PIR forms to meet these needs. This included adding more detail in the financial data section.

The PIR process involves all levels of the mission organization. The project office reviews reports from technical offices and produces an analysis. The mission PIRs take place by sector (strategic objective). The discussion/analysis of issues during the PIR then leads to adjustments in project design, implementation, or monitoring/evaluation.

### Other Mission MER Activities

To respond to MER concerns raised at a February 1992 mission retreat, a working group was formed. The group surveyed mission

professional staff on perceptions of responsibility for MER, frequency of MER tasks, use of MER findings, and relevance of the API and program/project indicators to work responsibilities.

A majority of respondents said that MER tasks fell within their work responsibilities. The respondents differed in their estimates of the frequency of evaluation activities. The most frequent evaluation activities were making monitoring field visits and preparing evaluation designs and scopes of work. Less frequent MER tasks were briefing evaluation teams, reviewing/analyzing completed evaluations, and assessing implications of evaluation findings. Half of the respondents indicated that revising projects or programs based on MER findings did fall within their responsibilities and more than half of these have done so at least once. However, nearly two thirds of respondents reported that they seldom use information collected for the API because these data are not relevant to their work.

Mission management tries to broaden understanding of the mission MER system and particularly project and program level linkages through periodic workshops. These workshops address API relevance, the DFA mandate, and provide the USAID/W and AFR context for MER. Workshops are attended by PSCs and FSNs, newly arrived direct-hire mission employees as well as others seeking a better understanding of the mission MER activities.

#### Use of AID/W MER Resources

The mission has drawn on AID/W resources to strengthen their MER system. Among the resources found helpful by mission personnel are Africa Bureau/PPC/CDIE workshops, the Development Studies Program, the PPC/CDIE Development Information Center, PPC/CDIE Impact Assessments, and AFR/ARTS studies. Technical advice has been provided by AID/AFR and REDSO/EA personnel.

### **B. MER Approaches and Uses**

#### Population and Health

USAID has supported the collection of national level data in population and health. The 1979 USAID-assisted Kenya Fertility Survey which showed Kenya having the highest recorded total fertility rate (TFR), 7.9, in the world is believed to have contributed to the GOK's decision to intervene actively in the population sector<sup>2</sup>. Subsequent surveys which demonstrated the acceptability of family planning and the high levels of unmet need have encouraged the GOK to continue to support family planning. The 1993 Kenya Demographic and Health Survey (KDHS)

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<sup>2</sup>Kenya Case Study, A.I.D. Technical Report No. 3, PPC/CDIE, October 1990.

documents the substantial changes in behavior which have occurred in the last four years. The total fertility rate dropped from 6.7 in 1989 to 5.4 in 1993, one of the most precipitous declines in fertility ever recorded.

Because of the strong experience with measuring and examining results on national level, it was felt that a M&E specialist was not needed for this office. A short-term consultant helped refine indicators. The population/health office staff find the strategic framework for this objective purposeful with clear linkages between project level and strategic objective data.

The Office uses as monitoring tools: the KDHS which are conducted every four years, Internal Control Assessments, semi-annual meetings with Cooperating Agencies, monthly meetings with the Ministry of Health/Division of Family Services, and regularly scheduled donor coordination meetings (with WHO, UNFPA, etc.).

**The Population/Health office has used MER findings to:**

- **Inform the policy dialogue:** KDHS and other study findings contribute to an on-going policy dialogue with the GOK and other donors about program priorities and needs.
- **Direct more efficient use of resources:** As a result of the monitoring of government performance, most bilateral funds for population were moved outside the public sector to NGOs.
- **Inform project decision-making about emphases in service delivery:** National studies of service delivery, e.g., situation analyses, have been used to identify issues in service delivery coverage and quality and have influenced GOK and USAID support.
- **Influence program components:** USAID-sponsored studies on consumer willingness to pay led to the Health Care Financing Project. These studies supporting cost-sharing led to the government changing its national policy on free health care and instituting user fees at public sector facilities. Cost-sharing began at the tertiary hospital level and now has expanded throughout the health system network down through regional and district facilities to the health center level. The project helped establish a waiver system for the indigent and selected preventive health services such as child survival and family planning.
- **Revise the strategic framework:** Based on the recent KDHS survey and Kenyan data on HIV/AIDS prevalence, USAID/Kenya is considering revising both the subgoal and the strategic objective in health and population to



aim for higher level impact on fertility and to include HIV/AIDS prevention activities.

### Agriculture

The Office of Agriculture has a strong program and project monitoring system. This was noted in a 1992 GAO audit of AID to Kenya (GAO/USAID-93-57) which cited the Office's Kenya Market Development Program as the first U.S. local currency program in Kenya to include provisions for end-use monitoring. The GAO report commented that:

"The program displays the mission's ability to manage complex projects while providing a documented history to benefit future program monitors."

Within the office, the agricultural economist and the monitoring and evaluation specialist, also an agricultural economist, bear particular responsibility for leadership in measuring program performance and other monitoring and evaluation activities.

The Agriculture Office has given priority to national studies which provide information on the linkages between sector activities and the program objectives and subgoals and the development and use of program performance measures. This has been necessary because despite more than 30 years of U.S. assistance to Kenyan agriculture, there was in 1990 only very limited information on the impact of this assistance. These studies are being done with the support of AFR/ARTS as part of a regional effort to improve the state of the art of impact assessment in agriculture.

In preparation for 1992 API when the strategic objective on agricultural productivity was featured, USAID/Kenya commissioned the first in a series of studies on measuring nation-wide agriculture productivity and determining its contribution to economic growth.

Similarly, while Kenya has a long well-documented program of agricultural research, little data were available on the impacts of this research. Through its participation and support of regional and national studies on the impact of investments in agriculture, USAID Kenya has been able to document the impact of investments in agricultural research and to influence Kenyan agricultural policy and research.

The studies and the office's monitoring and evaluation systems have been used both to shape the mission's portfolio and to carry on policy dialogue with the Government of Kenya (GOK), other donors, NGOs, and other private sector groups.

The Agriculture Office has used these special studies, MER findings, and evaluation tools to:

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- **Influence GOK policy decisions:** USAID-financed studies and project performance data contributed to liberalization of fertilizer marketing and its distribution through private sector vendors. While there has been no government action as yet, other studies have created a consensus among Kenyan professionals of the need to lift price and movement controls on maize.

- **Demonstrate the importance of agricultural research in Kenya and more generally in Africa for economic growth:** Kenya's participation in regional and national studies on the impact of agricultural research was able to show that productivity increases in Kenyan agriculture have come from yield increases related to the adoption of improved agricultural technology and that public investment in maize research in Kenya yielded an average economic rate of return of 68 percent.

- **Help Kenyan institutions focus research on the most critical problems:** Through its support of the socio-economic unit at the Kenya Agricultural Research Institute (KARI), USAID/Kenya has contributed to Kenyan ability to analyze and use research findings for policy and program development and to set research priorities. A recent KARI/CIMMYT nationwide household survey showed important gender differences in the benefits of adoption of high yield varieties (HYV). While female-headed households were as likely as other households to use new varieties and fertilizer, they did not have as high yields. Their yields were lower than that of male head households because they had poor land and less access to machinery and credit. These and other studies of the adoption of HYV are leading to a shift in KARI's research agenda to give more attention to socio-economic barriers to increased agricultural production.

- **Make management decisions** about the direction and emphasis within its portfolio and the design and implementation of specific projects.

### Private Enterprise

In USAID/Kenya's newest program area, Private Enterprise, monitoring and evaluation systems are evolving as new approaches to monitoring the private sector are being tested. The Private Enterprise Office has used evaluation data for project design, project implementation, and strengthening NGO management.

The office taps technical assistance from AID/W, evaluation IQCs, and Kenyan consulting firms. A recently commissioned study through the GEMINI project will survey the informal sector to try to get data from firms not usually included in national surveys

i.e., household businesses. Data from this study will be used to report on impact in next year's API.

The office is working collaboratively with NGOs to define and implement the MER system. Earlier the mission sponsored workshops with NGOs on the importance of monitoring, the DFA, and the API. Now, the Private Enterprise Office is helping NGOs to set up and implement MER systems. NGOs now have their own data systems and report every six months on implementation to USAID/Kenya.<sup>3</sup>

The office has added MER capacity building to project designs. The Kenya Export Development Support (KEDS) project is strengthening MER capacity within the GOK Ministry of Finance (MOF). A resident KEDS adviser in the MOF Export Promotion Programs Office is setting up a data system to track employment and foreign exchange earnings data from exporters.

The role of the office M&E specialist has evolved from collecting and analyzing data to assisting local NGOs with MER. Experience in the PE office indicates that the chief role of the M&E specialist should be as a facilitator and systems developer rather than the analyst responsible for the collection and reporting of data. Otherwise, project managers are not engaged in MER because MER is divorced from project management.

Within the PE office, some project managers feel that there may be a disconnect between project management and the reporting of impact data in the API. The M&E specialist is working to link project activities with strategic level MER and further integrate MER into project management and design.

**The Private Enterprise office has used MER findings to:**

- **Facilitate donor coordination and guide project implementation:** Monitoring data from the Rural Private Enterprise project encouraged European donors to fund the activity. Subsequent project evaluation data are helping to determine the use of revolving funds and document the soundness of the approach.
- **Influence project directions:** Data collected for the API stimulated an examination of the KEDS project scale and sustainability which in turn suggested revisions in project design and implementation for greater, more sustainable impacts.

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<sup>3</sup> This approach has also been used by the Projects Office in the PVO Co-Financing Project. As a result of training PVOs in MER, every PVO that A.I.D. has funded has now put into place a MER system. PVOs are required to incorporate baseline data into proposals and report on results against this baseline.

- **Dialogue with NGOs:** The office M&E specialist uses the Project Evaluation Summary (PES) to work with NGOs on MER and reach agreement on implementing evaluation findings. This has led to greater interest in and capacity for strategic planning and evaluation among the NGOs. In some cases, data on results have been used by NGOs to obtain other non-USAID support.

- **Support for NGO Evaluation Systems:** The mid-term project evaluations indicated that NGOs needed to improve their monitoring systems. This led project managers to add more staff and computers even if M&E assistance was not in the original project design. The NGOs are in a second phase of establishing data bases and measuring results.

- **Dialogue with the GOK:** Data from USAID-supported studies was used by a steering committee with representatives from USAID, the private sector, the Kenya Export Association, and Customs Division to encourage the GOK to liberalize the licensing of exports, reduce tariffs, and allow private firms to retain a greater share of foreign exchange earnings.

#### **C. Reporting results: The API**

By the time the mission submitted its first API in 1990, USAID/Kenya was already ahead of most other missions. The CPSP was in place and there was a focused strategy. Some indicators were revised after AID/W review.

The current practice of "highlighting" one sector each year in the API started early. The first API focused on population. The API is planned at least a year in advance with special studies planned for the sector which will be highlighted in the next year's API. For example, last year the mission supported the KDHS to provide information on this sector for this year's API where population is the focus. Next year, Private Enterprise will be the focus so support is being provided for the GEMINI study on private enterprise in the informal sector.

There is a high degree of involvement throughout the mission in producing the API. The API is part of the mission MER effort. The mission M&E specialist works with the technical offices to identify "gaps" in data and ways to address these throughout the year. API reporting is not driven by the AID/W cable alerting missions to the API deadline but is the product of an on-going process of determining how to measure and report on results.

**The mission uses the API to:**

- **Demonstrate program impact:** Performance data provides empirical justification for the DFA. The API is able to demonstrate national level impact and linkages between program activities and development objectives. Kenya API data feeds into AID/AFR reporting to Congress through the annual DFA report, the five-year DFA retrospective, and the Congressional Presentation as well as for internal use within AID/W.

- **Communicate impact:** The API is used as a briefing document on USAID objectives that enables the mission to communicate impact to donors. The mission director periodically invites key donors (UNDP and Japanese, German, and British donors) to dialogue with USAID staff and has found the API an effective mechanism to communicate development findings.

- **Plan strategically:** The API provides an overview of program performance. Impact data are used for making decision on resource allocations with reduced budgets.

- **Refine the strategic framework:** Each year the API offers an opportunity to take a new look at the program strategy, critical assumptions, and results. Mission refinements in targets and indicators are presented in API annexes.

#### IV. EXPERIENCE SUMMARIZED

##### A. Successes

USAID/Kenya has a thoughtful well-documented program which provides a strong analytic base for decision making and documenting the national level impacts of USAID assistance. This is clearly the result of:

- senior management leadership,
- serious attention to program performance monitoring,
- investment in staff, national level studies, and evaluation systems, and a
- well established practice of using performance data to make management and program decisions.

All the professional staff are aware of the mission's program directions and strategic objectives. Measurement of impact through the API, related studies, and monitoring is well rooted in the mission program. The mission director took the DFA mandate seriously and staffed up early. Workshops, retreats, and sustained attention to program performance monitoring have ensured that the DFA "message" on results and impact permeated through the full mission organization.

Responsibility for monitoring and evaluation extends well beyond the Program Office and is integrated into almost every mission professional's responsibilities. As noted, a survey of the mission professional staff found that almost everyone had some involvement with monitoring and evaluation.

Evaluation is clearly central to the way the mission does business with other donors, the GOK and NGO partners. USAID/Kenya has emphasized MER capacity building in its work with the Government of Kenya, local NGOs, U.S. and international PVOs, and other private sector groups. Technical assistance, training, and other support have been provided to these organizations to develop functional MER systems. This has contributed to these organizations' abilities to report on performance to the mission, manage their programs, document their successes, and attract non-USAID resources.

**USAID/Kenya uses program performance information effectively to:**

- **Demonstrate Impact:** USAID/Kenya with a relatively small program has been able in its API to show national level impact such as the recent sharp reduction in the fertility rate and increases in agricultural productivity attributable to technology transfer.
- **Strengthen the Policy Dialogue:** USAID/Kenya has regularly used program performance information and the results of special studies in its dialogue with the GOK. This information has influenced GOK decisions on user fees in health, support for family planning, fertilizer market liberalization and export policy.
- **Improve Donor Coordination:** The mission works actively with other donors in sharing strategic directions, program performance data, and program and project evaluation findings. API data have been used to brief donors on USAID activities and results. USAID has worked with both bilateral and private donors to strengthen local institutional MER capacities. Program performance data generated through USAID-assisted MER systems has influenced other donor decisions on investment in local institutions.
- **Make Project and Program Decisions:** Performance information is regularly used by decision makers within the mission to establish priorities, make funding decisions, and revise or augment program or project implementation. Performance data have been used to adjust project strategies in all sectors as well as to determine which activities to continue and which to cease.
- **Refine the Program Strategic Framework:** USAID/Kenya effectively uses USAID and Africa Bureau MER mechanisms such

as the API, PIR, and PES to refine the strategic framework and improve project level/program level consistency.

## B. Issues

This fall USAID/Kenya is reporting for the fourth year on program impact. Not surprisingly, despite its strong MER system and dedicated staff, there remain unresolved issues related to strategic management and MER. Some of these issues are worldwide and reflect state of the art limitations in measuring performance in some development areas. Others are more Kenya specific and relate to the difficulty of maintaining national level development impact and strong MER systems with decreased human and financial resources.

These issues seemed to fall into four broad categories:

- the limits of evaluation
- competing demands for resources
- perceived gap between national level objectives and project activities, and
- concern that Kenya's track record in attaining national impact and managing strategically is not being given significant weight in AID/W decisions.

Some of the mission's MER issues stem from limitations in evaluation methodology. These include methodological constraints related to measuring program performance in policy, tracking private enterprise results, and establishing appropriate MER systems in democracy and governance.

Others reflect conflicting demands on a USAID/Kenya with a reduced staff and budget. USAID/Kenya has successfully transferred some monitoring and evaluation responsibilities to the institutions which it assists and increased the MER resources built into project designs. Current performance reporting practices still place heavy demands on a busy staff. Some individuals see the API reporting process as mainly serving Washington needs and taking resources away from pressing in-country project needs.

Although USAID/Kenya has done more analysis and research on the linkages between project activities and strategic objectives and goals than most missions, there remains a perceived gap in some cases between project level monitoring data and strategic objective indicators. In these cases, project managers fail to see a connection between data they are collecting and the larger mission MER system. Without substantial investment, USAID's impact in some areas may not show up in national level data and the strategic objective may be out of the mission's manageable interest. The further away strategic objective indicators are from project data, the greater the disconnect between levels of

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the program strategy and the less relevant the strategic framework and API appear to technical office personnel.

There is a perception among some staff that the rules of the game have somehow been changed and that USAID/Kenya ability to manage for results, document people-level impact, and contribute to long term development are not being given significant weight in AID/W decisions about the program. The issue may be more universal as USAID seeks to shift gears and program for global as well as country-based objectives. In its FY 1995 Annual Budget Submission, USAID/Kenya pointed out:

"The use of USAID resources to support Africa's 'second revolution' - democratization and improved governance - has added a new dimension of complexity to the programming of the DFA. [While in the past USAID has used] ... two instruments (project and non-project assistance) to address two basic objectives (long term development and short term policy change), we now have the same two instruments but three objectives (the previous two plus democratization and governance). The complexity arises because using either of the available two instruments to address the new third objective may undermine efforts to achieve the long-term development and policy change objectives. Matching the appropriate instrument to the appropriate objective is no longer so easy."

## V. LESSONS LEARNED

**Kenya's experience offers important lessons for use by other AID managers.**

- **Senior management leadership and support for MER over time are critical.** The "vision" of mission management and analytic capacity of the staff enable a mission-wide MER system to work. It requires substantial investment in time, staff, and money.
- **A sustained focus on the strategic framework is essential to be able to assess program impact.** Kenya's experience suggests two important elements: 1) program continuity and 2) sustained senior support for strategic management. USAID/Kenya believes that to achieve national level impact, a mission must concentrate on a few critical development concerns, then "stick with these long enough to make a difference. Without program concentration, managing for results is extremely difficult." The mission also notes that it takes time to achieve cohesion around objectives and for a system to be absorbed. This requires a persistent effort to institutionalize the

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MER system and internalize the process in people doing the work.

- **There is a constant process of adjustment.** It involves a "learn as you go" attitude and the willingness to use performance information to modify program components in the face of progress or lack of progress, resource cuts or new directives. The mission noted that the feedback they received from AID/W after the 1991 API was especially helpful in refining the program strategy and measures.
- **To keep everyone on board, it is important to pay attention to maintaining consensus around objectives** and the tie-in of individual parts to a mission MER system. Turnover in staff may necessitate frequent training to paint the "big picture" of where the mission is going and to maintain the momentum.
- **MER mechanisms must be perceived as useful to mission management and influencing outcomes.** At the same time, it must be perceived by project level managers as relevant to their own job responsibilities.
- **Performance information has important uses outside the mission structure.** It can contribute to better donor coordination, use of overall development assistance resources and government and NGO management.

Is Kenya unique? To the contrary. This case study has found that management decisions such as significant investment in and commitment to Agency strategic management have made the difference in USAID/Kenya. As John Westley, mission director, remarks:

"The DFA action plan, CPSP, and API processes will lead to a concentrated program if a mission is serious about it. Other missions can be where Kenya is in 3-5 years."

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APPENDIX I

MISSION STAFF INTERVIEWED

John R. Westley, Director

Kiertisak Toh, Program Office  
Cyrilla Bwire, Program Office  
Elizabeth Martella, Program Office  
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